

## ¡Arriba!

are you reaching out to the multiethnic consumer base?

**According to U.S. Census Bureau** projections, by 2050, non-Hispanic Caucasians will make up only 50.1 percent of the total U.S. population. Hispanics will make up 24 percent of the population by that date, with Asians expanding the fastest to 8 percent and African-Americans at 14.6 percent.



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As the ethnic mix of the American consumer becomes even more diversified, the idea of a single marketing and merchandising strategy may no longer be applicable. For local merchants, this might require a complete reinvention of their business. National retailers will be required to generate parallel product, display and signage strategies, choosing the option which might fit the dominant local cultural mix.

This idea falls in line with a long-held philosophy that successful retail concepts are responsive to – and presentation reflective of – the local market. While retailers might challenge the effectiveness of delivering different store experiences and products to meet the distinct needs of targeted customers, visionary retailers are giving it a try, as you will see in the examples that follow.

But to be able to accomplish a strategy that caters to the needs and mores of a multiethnic customer base, one must first understand the cultural differences. How are products bought, used and consumed? How are these items disposed of? Answers will provide the basis for customer-centric decisions on store design, display and in-store communications.

Knowledge about the ethnic customers and their consuming patterns is becoming readily available, as researchers have also identified this rapidly customer segment. Here are a few highlights:



▶ Since the last census, 11 percent of the people living here are foreign-born, with more immigration from Latin America and Asia. Of those, there are big differences in family size and education, with 27 percent of foreign-born households having five or more members, and two-thirds having a high school diploma or equivalent, compared to 87 percent of the native-born population. Also, the foreign-born are more likely to live in the western part of the U.S.

▶ A Coca-Cola Retailing Research Council of North America study titled "Grow with America" compiled a very impressive overview of best practices in ethnic marketing and merchandising for food retailers. The research included such topics as "Define your ethnic merchandising look and organize to execute it," and "Enhance the in-store experience and connect with the community," each of which focused well beyond just identifying the segments and delved into more about the cultural habits of different ethnic groups.

▶ Sears is reported to be converting

selected stores located in areas where at least 60 percent of shoppers are minorities into "multicultural stores" where fashions, signs, color schemes and displays are geared to appeal to Hispanic, African-American and Asian shoppers. Sears discovered that sizing, for instance, was of great concern; Hispanic and Asian women report problems finding small sizes, while some black women stated they found the opposite to be true. The solution: The multicultural stores will stock more petites in Hispanic areas and more plus sizes in predominantly black shopping areas.

▶ When developing consumer products for specific ethnic groups, the scent has proved to be important. For example, lavender is known to be popular with Hispanic consumers, according to Tom Vierhile, general manager of new-product tracking firm Marketing Intelligence [Naples, N.Y.].

▶ A 2002 report by the Food Marketing Institute, a Washington-based trade group, found that on average Hispanic grocery shoppers spend \$117 a week on

food, compared with \$87 for the average U.S. shopper, in part because of larger families.

► By 2050, the number of Hispanic women in the United States will reach 48.92 million – an increase of nearly 340 percent from 1990. During the same time, the total U.S. female population will grow only 62 percent, to 206.64 million. At this rate of growth, Hispanic females will make up nearly a quarter of the total U.S. female population by 2050

► Safeway Supermarkets finds that stores that cater to Hispanics reflect the tastes of those consumers, i.e., pork and beef are sliced thinner, there are larger orders of papaya, plantains and yuca root and, at the checkout, the

Spanish-language tabloid *Mira* sits next to the *National Enquirer*.

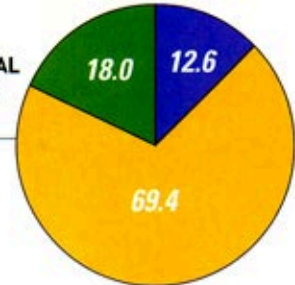
Of course, the challenge of catering to a multiethnic customer base isn't solved by simply putting *Mira* at the checkout, or adding Spanish or Chinese interpretations of English phrases onto signage, or changing the paint colors in stores. Only by fully immersing your company into a thorough understanding of the culturally diverse population of America can you reap the benefits.

Statistics say those benefits are innumerable. ●

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PERCENT OF TOTAL U.S. POPULATION 2000

- Hispanic
- White
- Other



PERCENT OF TOTAL U.S. POPULATION 2050

- Hispanic
- White
- Other

